

1                   **POST-EMPLOYMENT RESTRICTIONS AMENDMENTS**

2                                   2018 GENERAL SESSION

3                                   STATE OF UTAH

4                                   **Chief Sponsor: Mike Schultz**

5                                   Senate Sponsor: \_\_\_\_\_

---

---

7   **LONG TITLE**

8   **General Description:**

9           This bill modifies provisions of the Post-employment Restrictions Act.

10 **Highlighted Provisions:**

11       This bill:

- 12       ▶ defines terms;
- 13       ▶ prohibits an employer and an employee from entering into a post-employment  
14 restrictive covenant if the employer's primary business is news media; and
- 15       ▶ makes technical and conforming changes.

16 **Money Appropriated in this Bill:**

17       None

18 **Other Special Clauses:**

19       None

20 **Utah Code Sections Affected:**

21 AMENDS:

22       **34-51-102**, as enacted by Laws of Utah 2016, Chapter 153

23       **34-51-201**, as enacted by Laws of Utah 2016, Chapter 153

---

---

25 *Be it enacted by the Legislature of the state of Utah:*

26       Section 1. Section **34-51-102** is amended to read:

27       **34-51-102. Definitions.**



28 As used in this chapter:

29 (1) (a) "News media" means a printed, photographic, electromagnetic, or electronic  
 30 means ~~to~~ **of disseminating** **of communication that is used to disseminate** news to the  
 30a general public.

31 (b) "News media" includes a newspaper, magazine, press association, news agency,  
 32 wire service, radio station, television station, ~~and~~ **[and]** ~~or~~ **or** television network ~~to~~ **, that is**  
 32a **used to disseminate news to the general public** .

33 [(+)] (2) (a) "Post-employment restrictive covenant," also known as a "covenant not to  
 34 compete" or "noncompete agreement," means an agreement, written or oral, between an  
 35 employer and employee under which the employee agrees that the employee, either alone or as  
 36 an employee of another person, will not compete with the employer in providing products,  
 37 processes, or services that are similar to the employer's products, processes, or services.

38 (b) "Post-employment restrictive covenant" does not include nonsolicitation  
 39 agreements or nondisclosure or confidentiality agreements.

40 [(2)] (3) "Sale of a business" means a transfer of the ownership by sale, acquisition,  
 41 merger, or other method of the tangible or intangible assets of a business entity, or a division or  
 42 segment of the business entity.

43 Section 2. Section **34-51-201** is amended to read:

44 **34-51-201. Post-employment restrictive covenants.**

45 (1) In addition to any requirements imposed under common law, for a  
 46 post-employment restrictive covenant entered into on or after May 10, 2016, an employer and  
 47 an employee may not enter into a post-employment restrictive covenant for a period of more  
 48 than one year from the day on which the employee is no longer employed by the employer.

49 (2) An employer and an employee may not enter into a post-employment restrictive  
 50 covenant if the employer's primary business is news media.

51 (3) A post-employment restrictive covenant that violates this section is void.

---

**Legislative Review Note**  
**Office of Legislative Research and General Counsel**